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CENTRAL INTELLIGENCE AGENCY 25X1 REPORT

INFORMATION REPORT

CD NO.

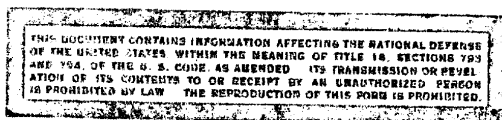
COUNTRY Czechoslovakia

DATE DISTR 28 July 1953

SUBJECT Currency Revaluation

NO. OF PAGES 1

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NO. OF ENCLS
(LISTED BELOW)SUPPLEMENT TO
REPORT NOPLACE
ACQUIREDDATE OF
INFO

THIS IS UNEVALUATED INFORMATION

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1. The decision to go through with the Czech currency reform of 1 June 1953 was not taken until the latter half of May 1953. At that time, Deputy Minister of Finance B. Sucharda is reported to have played an important role in establishing 1 June as the date.

2. The decision to liquidate state loans which were issued after 1945 as well as bonds and mortgage deeds of the Czech credit institutions was reportedly embodied at the last minute in the previously prepared draft of the currency reform law.

25X1 3. Within the economic area of the Soviet, bloc, it is desired in principle to adjust currencies to the ruble. Clearing under the foreign trade between the states of this area has long been based on the ruble.

25X1 the exchange rate of 1 ruble: 1.8 Kcs which was established on 1 June 1953 thus represents but a hasty compromise and is likely to be changed eventually to a rate of 1 ruble: 1 Kcs. This can be accomplished at the chosen time through a second currency reform, involving an additional confiscation, which can be rather clearly anticipated.

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